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Barbara McNutt
Chief Counsel
Indiana Professional Licensing Agency

Indiana Economic Development Corporation

One North Capitol, Suite 700
Indianapolis, Indiana 46204
Tel 317.232.8800
Fax 317.232.4146
www.AccelerateIndiana.com

Dear Ms. McNutt:

Pursuant to IC 4-22-2-28, the Indiana Economic Development Corporation ("IEDC") has reviewed the economic impact analysis for small business associated with rule changes proposed by the Indiana Professional Licensing Agency ("IPLA") and contained in LSA Document 07-744, which amends 876 IAC 3-6-2 and 876 IAC 3-6-3. The rule changes would potentially affect 2,787 real estate appraisers licensed in the State of Indiana. Although the proposed rule affects the practices of appraisers specifically, the small business for which these appraisers are employed will also be affected because of the licensees' compliance. The number of small businesses affected by this proposed rule will be less than that; however, the IPLA is unable to determine the actual number of small businesses. This rule also potentially applies to real estate brokers doing appraising in Indiana. There are approximately 12,547 real estate brokers, 85 real estate branch offices, 2,524 real estate broker companies, and 119 real estate professional corporations licensed in Indiana. The rule would only affect real estate brokers and other real estate businesses if they provide appraisal services as part of their business. Indiana does not collect data on the number of brokers who perform appraisals.

The economic impact imposed on these small businesses is attributable to the cost for licensed and certified appraisers and real estate brokers associated with compliance with the most recent Uniform Standard of Professional Appraisal Practice (USPAP) requirements. In order to comply with this proposed rule, an appraiser may have to replace 2006 USPAP edition with the 2008-2009 USPAP edition. Assuming all appraisers purchase the book, which is priced at fifty dollars (\$50), the cost to all licensed or certified appraisers in Indiana approximately \$139,350 (2,787 licensed and certified appraisers \times \$50) and the cost to real estate brokers could be as much as \$627,350 (12,547 real estate brokers \times \$50). However, not all brokers perform appraisals and no data is collected on the number performing appraisals. The IPLA reports that there will be no additional reporting requirements as a result of the rule.

The USPAP manual cannot be downloaded for free as it has been available in years past. However, an electronic version can be purchased for \$40. This should provide small businesses and any other business with a lower cost alternative to purchasing a printed copy of the USPAP manual. The IEDC does not object to any of the provisions contained in the proposed rule changes.

If you have any questions about the comments contained herein please contact me at 232-8962 or rasberry@iedc.in.gov.

Regards,

Ryan Asberry
Assistant Vice President
Indiana Economic Development Corporation